

C/CAG Press Release

CITY/COUNTY ASSOCIATION OF GOVERNMENTS OF SAN MATEO COUNTY

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For Release 3:00 P.M.

November 22, 2002

C/CAG PROGRAM WINS NATIONAL EPA SMART GROWTH AWARD Transit Oriented Development Housing Incentive Program Receives EPA 2002 Smart Growth Policies and Regulations Award

SAN CARLOS, CA – November 22, 2002 – C/CAG, the City/County Association of Governments of San Mateo County, a regional Joint Powers Authority formed by the Cities in San Mateo County and the County itself, today announced that its Transit Oriented Development (TOD) Housing Incentive Program received the US Environmental Protection Agency (EPA) 2002 National Award for Smart Growth Achievement in the Policies and Regulations category. According to EPA Administrator Christine Todd Whitman – “Not only does this program spur the construction of badly needed housing in Silicon Valley, it also creates environmental benefits by giving people the option of commuting and running errands by rail. This program directly links land use with efficient use of the existing transportation system.” The C/CAG Incentive Program uses state and federal transportation funds to provide an incentive to the cities and county to build more housing within one third of a mile of a rail station. In response to this award U.S. Senator Barbara Boxer stated -“San Mateo’s Transit-Oriented Development Program will reduce traffic congestion and improve the environment. I commend the local elected officials and community leaders who created this win-win program.” The success of C/CAG’s TOD Housing Incentive Program has encouraged other jurisdictions to use it as a model to implement similar programs.

An Incentive That Also Improves Congestion and Air Quality

In California and in States across the country, local government land use decisions sometimes focus on maximizing revenue to balance budgets due to the fiscal incentives built into today's system of funding city and county services at the State level. This can create an incentive to build office and retail space in areas that might also support housing developments. As jobs and housing spread out, the transportation system can become overburdened.

To address a housing shortfall, reduce congestion, and improve environmental quality, the City/County Association of Governments of San Mateo County (C/CAG) provides incentives for land use agencies (20 cities and the county) to create housing near transit stations. C/CAG allocates up to 10 percent of State Transportation Improvement Program (STIP) funds for the San Mateo County Transit Oriented Development (TOD) Housing Incentive Program. The program provides a financial incentive for local land use authorities to develop housing near transit stations. How the incentive funds are spent is at the discretion of the city or the county that receives the payment. C/CAG Chair Mike King stated – “The incentive funds provides a financial tool and flexibility for the cities/ county to assist the housing project, address neighborhood concerns, or deal with other needs of the community.”

TOD Program Provides a Carrot Not a Stick

Under the C/CAG TOD program, a jurisdiction receives incentive funds based on the number of bedrooms in the housing units. Typically, eligible projects receive up to \$2,000 per bedroom. In order to be eligible for the program, housing must be within one-third of a mile of a rail transit

station, and density must be at least 40 units per acre.

In the event that the program is oversubscribed, C/CAG may reduce the funding per bedroom or provide additional funding. Land use agencies only get the funding once the units are built or are under construction. Funds are then used to support improvements either on or off-site as determined by the land use agency. In addition to direct transportation improvements, some general improvements such as landscaping, lighting, sidewalks, plazas, and recreational projects are allowed.

For the first cycle, October 1999 to September 2001, C/CAG programmed \$2.3 million to the TOD Housing Incentive Program to support development of 1,282 bedrooms in five projects. Results of the first cycle indicate that the incentive gets the attention of City and County management and elected officials. The second cycle (February 2002 to February 2004) has programmed over \$2.9 million for 10 projects to facilitate the creation of 2,407 bedrooms.

Interest from Other Jurisdictions

The success of C/CAG's TOD Housing Incentive Program has encouraged other jurisdictions to implement similar programs. The Metropolitan Transportation Commission (MTC), the regional transportation planning organization for the San Francisco Bay Area, adopted a Housing Incentive Program based on C/CAG's model. Legislation being considered at the state level would create a similar program. Sacramento, Fresno, and Monterey Counties (in California) are also considering similar programs.

An effective way to implement this concept at the state or federal level is to create a match or

incentive for the counties to create a Transit Oriented Development Incentive Program. This approach provides leverage for the state/ federal funds invested since it would require the counties to also commit local discretionary funds to the program.

Integration with Transportation Planning

The TOD Housing Incentive Program recognizes that coordinating land use and transportation is critical to achieving an efficient transportation system and making the best use of tax dollars. C/CAG's approach is an innovative use of transportation funds that provides incentives to land use decision-makers to achieve transit oriented development.

About C/CAG

The City/County Association of Governments (C/CAG) is a Joint Powers Authority (JPA) that was created by the 20 cities in San Mateo County and the County. Under California State Law, local government agencies can create Joint Powers Authorities (JPAs) to carry out some of their duties. C/CAG performs six unique non-duplicative functions that can be more effective on a Countywide basis. These functions include: Transportation planning and State/ Federal fund programming, AB434 Transportation Fund for Clean Air (TFCA), National Pollution Discharge Elimination System Storm Water Program, Abandoned Vehicle Abatement Program, Airport Land Use Commission (ALUC), and Solid Waste Program. The Board includes an elected official from each jurisdiction. Broad representation on the Board including County, Cities, and Transportation Agencies enables the development of a consensus on unique solutions. By doing this in a collaborative fashion, C/CAG has proved to be a win/win program for all of the agencies involved.